

Junior Achievement of Eastern Iowa, Inc.

JA World Project

IJOBS Grant Application

Exhibit # 7



Building Acquisition and Renovation Plan for JA World Facility

Assumptions:

Investor/Developer Purchases Property from Current Owners for \$725,000

JA Raises \$5,700,000 and Loans Investor/Developer \$3,400,000 for Renovation Costs

Investor/Developer Earns and Uses Iowa and Federal Rehabilitation Tax Credits Estimated to Be Approx. \$1,200,000

Investor/Developer Owns Building for 5 Years, the Recapture Period of the Federal Tax Credits

JA Leases 15,000 Sq. Ft. of Building Space for Nominal Rent for 5 Years

Investor/Developer Responsible for Lease Up of 25,000 Sq. Ft. Not Leased by JA

Investor/Developer Has Risks and Rewards of Ownership

Investor Developer Pays JA Interest on Development Loan of \$3,400,000 of \$144,000, JA Uses to Fund JA World Operations

At End of 5 Years JA Purchases Property From Investor/Developer for Amount of Note (\$3,400,000)

Purchase of Building

Assumed Acquisition and Other Soft Costs

JA	Investor/ Developer Owner
	700,000
	25,000
	<hr/> 725,000

Assumed Building Renovation Costs	Floor	Sq. Ft.	Assumed Cost Per
			Sq. Ft.
Renovate floor	1	10,000	\$30.00
Tenant build-out floor	1	10,000	\$40.00
			<hr/> 300,000
Renovate floor	2	10,000	\$30.00
			300,000

300,000	
400,000	700,000
<hr/>	

Tenant build-out floor	2	10,000	\$40.00	<u>400,000</u>	700,000
Renovate floor	3	10,000	\$30.00	300,000	
Tenant build-out floor	3	10,000	\$40.00	<u>400,000</u>	700,000
Renovate floor	4	10,000	\$30.00	300,000	
Tenant build-out floor	4	10,000	\$40.00	<u>400,000</u>	700,000
Contingency at 20%					<u>560,000</u>
Est. Building Purchase and Renovation Costs					<u>3,360,000</u> 725,000

Estimated Economic Benefits from Use of Rehab Tax Credits				Tax Credit Rate	
Assumed Qualifying Costs @ 80%- Federal	2,688,000	20%	(537,600)		
Assumed Qualifying Costs @ 80%- Iowa	2,688,000	25%	<u>(672,000)</u>		(1,209,600)
Assumed Qualifying Costs- New Market Fed. Rehab. Credits	2,688,000	39%	over 7 yrs.		<u></u>
Est. Rehab. Tax Credit Benefits in Excess of Investment in Property					<u>(484,600)</u>

JA World Capital Needed

Building Renovation	3,400,000
Provision for 3 Year Start-up Expenses	300,000
Endowment Needed	<u>2,000,000</u>
	<u>5,700,000</u>

Sources of Capital

IJOBS Grant	2,550,000
Fund Raising Campaign Proceeds, Campaign Started July 10, 2009	<u>3,150,000</u>
	<u>5,700,000</u>